

## Message Text

CONFIDENTIAL

PAGE 01 PEKING 02031 060348Z  
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03  
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02  
SS-15 STR-07 TRSE-00 ACDA-12 /126 W  
-----027410 061219Z /44

R 060300Z JUL 78  
FM USLO PEKING  
TO SECSTATE WASHDC 1263  
INFO AMCONSUL HONG KONG  
AMEMBASSY TOKYO

C O N F I D E N T I A L PEKING 2031

E.O. 11652: GDS  
TAGS : ECEM ECRE CH US

SUBJ: POSSIBLE SALE OF ETHYLENE PLANT

1. TWO US-JAPANESE CONSORTIA AND A GERMAN FIRM ARE  
NEGOTIATING WITH THE CHINA NATIONAL TECHNICAL IMPORT  
CORPORATION (TECHIMPORT) FOR THE SALE OF A 300,000 MT  
YEAR ETHYLENE PLANT TO BE GUILT I TACHING. ONE GROUP  
CONSISTS OF STONE AND WEBSTER ENGINEERING CORPORATION TOGETHER  
WITH JAPANESE PARTNERS MARUEBENI AND JAPAN GAS COMPANY.  
STONE AND WEBSTER WOULD SUPPLY THE DESIGN ENGINEERING  
AND ITS OWN TECHNOLOGY. FIRM REPRESENTATIVE SAID IF  
SUCCESSFUL THEY WOULD PROCURE MOST OF THE MAJOR EQUIPMENT  
FROM THE US. THE TWO JAPANESE FIRMS WOULD DO THE DETAILED  
ENGINEERING, PROVIDE THE BULK MATERIALS AND SUPERVISE  
CONSTRUCTION. ANOTHER PROPOSAL HAS BEEN PRESENTED BY  
C-E LUMMUS, IN CONJUNCTION WITH TOYO ENGINEERING.  
LUMMUS WOULD SUPPLY THE BASIC DESIGN AND TOYO ENGINEERING  
WOULD SUPPLY THE DETAILED ENGINEERING AND CONSTRUCTION  
SUPERVISION. IF SUCCESSFUL LUMMUS INTENDS TO BUY THE  
EQUIPMENT WORLD-WIDE. A THIRD PROPOSAL FOR THE SAME  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02031 060348Z

COMPLEX WAS MADE BY A.G. LINDE OF GERMANY.

2. THESE FIRMS WERE ALL IN PEKING DURING JUNE CONCURRENTLY  
NEGOTIATING. BOTH THE US FIRMS HAVE NOW LEFT; NEITHER  
USLO NOR THE JAPANESE EMBASSY KNOWS THE OUTCOME OF THESE  
DISCUSSIONS. (A THIRD US FIRM, MW KELLOGG, WAS  
ASKED TO DROP OUT OF THE RUNNING BECAUSE THEIR PRICE

WAS TOO HIGH.) THE AMERICAN FIRMS BELIEVE THE CHINESE  
WIL BE IN THE MARKET FOR FUTURE PURCHASES OF ETHYLENE  
PLANTS AFTER THE CONTRACT FOR THE TACHING PLANT HAS  
BEEN AWARDED.

3. THE ABOVE INFORMATION IS COMMERCIALLY SENSITIVE  
AND SHOULD NOT BE DISCUSSED OUTSIDE THE USG  
WOODCOCK

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, BUSINESS FIRMS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978PEKING02031  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780277-0353  
**Format:** TEL  
**From:** PEKING  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780790/aaaacydq.tel  
**Line Count:** 70  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 5f69827a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 09 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2103554  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE SALE OF ETHYLENE PLANT  
**TAGS:** ECEM, ECRE, CH, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/5f69827a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014